



4004

ANNUAL REPORT

OF

Name: WAUNAKEE TELEPHONE COMPANY

Principal Office: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WAUNAKEE TELEPHONE COMPANY
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 07/01/1956

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN R. ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Individual or firm, if other than utility employee, preparing this report

Name: MR ALEX W. CHRISTENSEN
Title: STAFF ACCOUNTANT
Firm: TDS TELECOM
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P.O. BOX 5158
MADISON, WI 53705-0158

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Person responsible for financial information contained in report

Name: MR JOHN R. ERPENBACH
Title: ASSISTANT TREASURER

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4619
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: X VARIOUS CONTACTS
Title: X

A

Office Address: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 S WESTFIELD RD
PO BOX 5158
MADISON, WI 53705-0158

Number of Shares Held: 1,400

Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,164,048	4,042,624	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	406,401	348,842	2
Plant Nonspecific Operations Expense	1,144,002	1,025,474	3
Customer Operations Expense (6610-6620)	902,656	919,713	4
Corporate Operations Expense (6710-6790)	845,015	707,990	5
Other Operating Income and Expense (7100)	5,699	1,200	6
Operating Taxes (7200)	396,067	449,607	7
Total Operating Expenses	3,688,442	3,450,426	8
Net Operating Income	475,606	592,198	9
Other Income			
Nonoperating Income and Expense (7300)	23,931	12,956	10
Nonoperating Taxes (7400)	8,190	1,856	11
Interest and Related Items (7500)	261,673	292,250	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	84,911	22,589	14
Total Nonoperating Income	(161,021)	(258,561)	15
Net Income	314,585	333,637	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

resulting from investments in qualifying telephone plant and equipment have been deferred and are being amortized to income over the service lives of the related property.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1998, the company has invested no funds with Telecommunications Technologies Fund, Inc., and could distribute up to \$1,363,329 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	539,931	600,338	2
Special Cash Deposits (1140)		0	3
Working Cash Advances (1150)	905	905	4
Temporary Investments (1160)		0	5
TOTAL CASH AND EQUIVALENTS	540,836	601,243	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	184,960	158,954	6
Accounts Receivable Allowance-Telecom (1181)*		0	7
Net: Telecommunications Accounts Receivable	184,960	158,954	
Other Accounts Receivable (1190)*	666,526	810,385	8
Accounts Receivable Allowance--Other (1191)*		0	9
Net: Other Accounts Receivable	666,526	810,385	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,512	1,734	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	852,998	971,073	
SUPPLIES			
Inventories (1220)*	68,431	64,106	13
TOTAL SUPPLIES	68,431	64,106	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)		0	15
Prepaid Taxes (1300)	4,000	3,520	16
Prepaid Insurance (1310)		0	17
Prepaid Directory Expenses (1320)	2,900	2,484	18
Other Prepayments (1330)	21,203	14,184	19
TOTAL PREPAYMENTS	28,103	20,188	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	185	240	20
TOTAL OTHER CURRENT ASSETS	185	240	
TOTAL CURRENT ASSETS	1,490,553	1,656,850	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	128,251	128,251	22
Nonregulated Investments (1406)*	33,735	33,669	23
Unamortized Debt Issuance Expense (1407)*		0	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*		0	26
TOTAL INVESTMENTS	161,986	161,920	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	1	7	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	13,000	3,219	29
TOTAL DEFERRED CHARGES	13,001	3,226	
TOTAL NONCURRENT ASSETS	174,987	165,146	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	10,593,186	10,361,173	30
Less: Accumulated Depreciation (3100)*	4,184,576	3,856,217	31
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	6,408,610	6,504,956	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*		7,193	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		2,597	36
NET PROPERTY HELD FOR FUTURE USE	0	4,596	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	25,402	73,103	39
TOTAL TPUC	25,402	73,103	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*		0	40
Less: Accumulated Amortization--Other (3600)*		0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	6,434,012	6,582,655	
TOTAL ASSETS AND OTHER DEBITS*	8,099,552	8,404,651	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	465,864	526,616	1
Notes Payable (4020)*	1,062,000	1,437,000	2
Advance Billing and Payments (4030)*	34,700	32,110	3
Customer Deposits (4040)*	170	140	4
Current Maturities--Long-Term Debt (4050)*	79,381	75,300	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	5,189	0	7
Other Taxes--Accrued (4080)*	21,268	23,388	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	39,148	40,650	11
Other Current Liabilities (4130)*	12,019	5,600	12
TOTAL CURRENT LIABILITIES*	1,719,739	2,140,804	
LONG-TERM DEBT			
Funded Debt (4210)*	2,160,025	2,240,009	13
Premium on Long-Term Debt (4220)*		0	14
Discount on Long-Term Debt (4230)*		0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*		0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	2,160,025	2,240,009	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(20)	130,381	20
Unamortized Operating ITC--Net (4320)*		0	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	692,467	647,292	23
Net Deferred Tax Liability Adjustments (4341)*	(2,291)	(13,195)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		0	25
Other Deferred Credits (4360)*		0	26
Deferred Tax Regulatory Liability (4361)*	2,292	13,201	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	692,448	777,679	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	140,000	140,000	28
Additional Paid-in Capital (4520)*		0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*		0	31
Retained Earnings (4550)*	3,387,342	3,106,162	32
TOTAL STOCKHOLDERS' EQUITY*	3,527,342	3,246,162	
TOTAL LIABILITIES AND OTHER CREDITS*	8,099,554	8,404,654	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	314,585	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	720,998	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	105,890	4
Other noncurrent assets	(9,775)	5
Other current liabilities	(50,146)	6
Other liabilities and deferred credits	(85,231)	7
Other (specify):		
TOTAL ADJUSTMENTS	681,736	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	996,321	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(572,355)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(66)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(572,421)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(75,903)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	(375,000)	14
Dividends paid	(33,400)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(484,303)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	(60,403)	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None

7. Changes in articles of incorporation or amendments to charter.

None

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

The Company has adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use in 1998.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Badger Telecom, Inc.	BADGER	1
BB&W Telephone Company	BB&W	2
Black Earth Telephone Company	BLACK	3
Eastcoast Telecom, Inc.	EASTCOAST	4
Grantland Telecom	GRANTLAND	5
Midway Telephone Company	MIDWAY	6
Mt. Vernon Telephone Company	MT. VERNON	7
Other	OTH	8
Riverside Telecom, Inc.	RIVER	9
Scandinavia Telephone Company	SCAND	10
Suttle Press, Inc.	SUTTLE	11
TDS Telecommunications Corporation	TDS	12
Telephone and Data Systems, Inc.	TDS CORP	13
TDS NET	TDS NET	14
TDS Telecom, Inc.	TDS TEL	15
TDS Computing Services, Inc.	TDS/CS	16
Tennessee Telephone Company	TN TEL	17
Telecommunications Technologies Fund, Inc.	TTF	18

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	0005-TI-000124	0005-TI-000124	
Name of Affiliate	BB&W	OTH	OTH	RIVER	1
Designate whether billed to or from:	TO	FROM	TO	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	24,115	8,717	19,235	21,639	14
Total	24,115	8,717	19,235	21,639	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings		0.00			17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	0005-TI-000124	0005-TI-000124	0005-TI-000124	
Name of Affiliate	SUTTLE	TDS CORP	TDS TEL	TDS/CS	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	C	C	C	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	1,391	124,096	1,330,161	251,027	14
Total	1,391	124,096	1,330,161	251,027	15
Percent of affiliate's business billed to all affiliated regulated utilities	58.00				16
If cost based, rate of return on equity or markup incorporated in billings		0.00	0.00	15.00	17
Footnotes			R		

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
BB&W Telephone Company	1190	7,861	1
Black Earth Telephone Company	1190	2,014	2
Riverside Telecom, Inc.	1190	7,160	3
Telephone and Data Systems, Inc.	1190	85,215	4
TDS NET	1190	241	5
TDS Telecom, Inc.	1190	170,010	6
Telephone and Data Systems, Inc.	4010	1,188	7
TDS Telecom, Inc.	4010	166,909	8
Telecommunications Technologies Fund, Inc.	4010	7,544	9

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	126,251	1
Other:		
RTB Class C Stock	2,000	2
Total Investments in Nonaffiliated Companies	128,251	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite	5,555	1
Leased Phones and business systems	28,180	2 P

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
None	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	26,751		1
Motor Vehicles	2112	144,165	20,366	2
Aircraft	2113	0		3 M
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	100,830		6 c
Buildings	2121	337,865		7 c
Furniture	2122	38,640		8 c
Office Equipment	2123	58,552	5,101	9 c
General Purpose Computers	2124	718,477	187,900	10
TOTAL--GENERAL SUPPORT ASSETS:		1,425,280	213,367	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,103,752	50,079	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,254,537	116,240	16 c
TOTAL--CENTRAL OFFICE ASSETS:		3,358,289	166,319	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	53,655		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		53,655	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	15,759		22
Aerial Cable	2421	222,155	0	23 c
Underground Cable	2422	473,056	13,734	24
Buried Cable	2423	4,051,302	287,158	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	22,866	1,608	29
Conduit Systems	2441	738,031	28,393	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		5,523,169	330,893	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			26,751	1
2112	20,589		143,942	2
2113		31,635	31,635	3 M
2114			0	4
2115			0	5
2116	3,212	(15,695)	81,923	6 c
2121	1,308	(4,891)	331,666	7 c
2122		(21,159)	17,481	8 c
2123	9,440	(4,072)	50,141	9 c
2124	1,456		904,921	10
	36,005	(14,182)	1,588,460	
2211			0	11
2212	121,176	0	2,032,655	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	146,467	(59,624)	1,164,686	16 c
	267,643	(59,624)	3,197,341	
2311			0	17
2321			0	18
2341			0	19
2351	53,655		0	20
2362			0	21
	53,655	0	0	
2411	1,560		14,199	22
2421	574	(2,050)	219,531	23 c
2422	0	0	486,790	24
2423	43,273	0	4,295,187	25
2424	0	0	0	26
2425	0		0	27
2426	0	0	0	28
2431	0		24,474	29
2441	0		766,424	30
	45,407	(2,050)	5,806,605	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	780	0	33
TOTAL--AMORTIZABLE ASSETS:		780	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	10,361,173	710,579	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			780	33
	0	0	780	
	402,710	(75,856)	10,593,186	
2001			0	34
			10,593,186	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	6,629		1 c
Company Communications Equipment	2123.2	51,923	5,101	2 c
Software	2212.1	0	45,647	3
Digital Switching - Central Office	2212.2	2,103,752	4,432	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	881,796	79,808	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	372,741	36,432	12 c
Aerial Cable - Nonmetallic	2421.1	1,998		13
Aerial Cable - Metallic	2421.2	220,157		14 c
Underground Cable - Nonmetallic	2422.1	36,974	7,200	15
Underground Cable - Metallic	2422.2	436,082	6,534	16
Buried Cable - Nonmetallic	2423.1	265,915	11,876	17
Buried Cable - Metallic	2423.2	3,785,387	275,282	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1		(1,569)	5,060	1 c
2123.2	9,440	(2,503)	45,081	2 c
2212.1			45,647	3
2212.2	121,176		1,987,008	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	146,467		815,137	10
2232.2			0	11
2232.3		(59,624)	349,549	12 c
2421.1			1,998	13
2421.2	574	(2,050)	217,533	14 c
2422.1			44,174	15
2422.2			442,616	16
2423.1			277,791	17
2423.2	43,273		4,017,396	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	88,086	15.0	20,945	1
Aircraft	2113	0	.0	5,354	2M
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	47,905	10.0	8,381	5c
Buildings	2121	129,957	3.3	10,986	6c
Furniture	2122	3,415	10.0	1,791	7c
Office Equipment	2123	50,044	19.89	8,919	8c
General Purpose Computers	2124	349,081	20.0	145,737	9c
Total-- GENERAL SUPPORT ASSETS		668,488		202,113	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	637,924	8.1000	163,414	11c
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	659,498	9.71	93,066	15
Total-- CENTRAL OFFICE ASSETS		1,297,422		256,480	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	48,122	13.6	2,850	19c
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		48,122		2,850	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	19,764	10.0	1,572	21q
Aerial Cable	2421	219,482	6.0	13,011	22q
Underground Cable	2422	120,687	4.4	20,908	23
Buried Cable	2423	1,350,156	4.99	204,630	24c
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	17,963	19.0	4,344	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	114,133	3.03	22,558	29
Total-- CABLE WIRE FACILITIES ASSETS		1,842,185		267,023	0
Total Accumulated Depreciation	3100	3,856,217		728,466	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	20,589		751		89,193	1
2113				4,864	10,218	2 M
2114					0	3
2115					0	4
2116	3,212			(7,457)	45,617	5 c
2121	1,308			(256)	139,379	6 c
2122				(1,748)	3,458	7 c
2123	9,440			(3,567)	45,956	8 c
2124	1,456			(252)	493,110	9 c
	36,005	0	751	(8,416)	826,931	
2211					0	10
2212	121,176		8,000	252	688,414	11 c
2215	0				0	12
2220					0	13
2231	0				0	14
2232	146,467				606,097	15
	267,643	0	8,000	252	1,294,511	
2311					0	16
2321					0	17
2341					0	18
2351	53,655		7,181	(4,499)	(1)	19 c
2362					0	20
	53,655	0	7,181	(4,499)	(1)	
2411	1,560				19,776	21 q
2421	574	1,582			230,337	22 q
2422	0				141,595	23
2423	43,273	924		2,827	1,513,416	24 c
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0	987			21,320	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				136,691	29
	45,407	3,493	0	2,827	2,063,135	
3100	402,710	3,493	15,932	(9,836)	4,184,576	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	6,131	19.0	128	1 c
Company Communications Equipment	2123.2	43,913	20.0	8,791	2 c
Software	2212.1	0	33.33	8,464	3 c
Digital Switching - Central Office	2212.2	637,924	7.93	154,950	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	589,249	9.74	59,987	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	70,249	9.5	33,079	12
Aerial Cable - Nonmetallic	2421.1	288	4.8	96	13
Aerial Cable - Metallic	2421.2	219,194	6.0	12,915	14 q
Underground Cable - Nonmetallic	2422.1	6,241	4.4	1,632	15
Underground Cable - Metallic	2422.2	114,446	4.4	19,276	16
Buried Cable - Nonmetallic	2423.1	58,102	4.8	12,768	17
Buried Cable - Metallic	2423.2	1,292,054	5.0	191,862	18 c
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1				(1,451)	4,808	1 c
2123.2	9,440			(2,116)	41,148	2 c
2212.1				252	8,716	3 c
2212.2	121,176		8,000		679,698	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	146,467				502,769	10
2232.2					0	11
2232.3					103,328	12
2421.1					384	13
2421.2	574	1,582			229,953	14 q
2422.1					7,873	15
2422.2					133,722	16
2423.1					70,870	17
2423.2	43,273	924		2,827	1,442,546	18 c
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	7	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(646,723)	5
Net Deferred Tax Liability Adjustments (4341)	13,195	6
Deferred Tax Regulatory Liability (4361)	(13,201)	7
Net Property Related Deferred Operating Income Taxes	(646,722)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(646,722)	
NONPROPERTY RELATED		
Other Current Assets (1350)	240	9 N
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(569)	13 o
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	(329)	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(6)			1	3
7250	0			0	4
7250	(45,645)			(692,368)	5
	(10,904)			2,291	6
	10,909			(2,292)	7
	(45,646)	0	0	(692,368)	
				0	8
	(45,646)	0	0	(692,368)	
7250			(55)	185	9 N
7250				0	10
				0	11
7250				0	12
7250	471		(1)	(99)	13 o
				0	14
				0	15
	471	0	(56)	86	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund, Inc.	07/01/1998	12/31/1999	8.2500	1,062,000	1
Total Affiliated				<u>1,062,000</u>	
Total Notes Payable				<u><u>1,062,000</u></u>	

LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA/RTB	06/16/1967-01/23/1976	03/16/1999-01/23/2005	2.0000	1
REA/RTB	02/25/1977-05/06/1996	02/25/2009-02/26/2028	6.3500-7.5000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000			72,975	18,868	91,843	1
6.7059			2,087,050	60,513	2,147,563	2
	0	0	2,160,025	79,381	2,239,406	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
	3,650	100.00	1
TOTAL COMMON STOCK	3,650		
TOTAL	<u>3,650</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
	1,400	140,000			1
	1,400	140,000	0	0	
TOTAL	<u>1,400</u>	<u>140,000</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,106,162	2,872,525	1
Changes:			
Balance Transferred from Income	314,585	333,637	2
Dividends Declared:			
Common	33,400	100,000	3
Preferred		0	4
Total Dividends Declared	33,400	100,000	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>3,387,347</u>	<u>3,106,162</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	240,266	30,483	118,108	1
Nonoperating Taxes (Accts. 7410 - 7450)		1,585	6,605	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		8,423	34,941	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>240,266</u>	<u>40,491</u>	<u>159,654</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
7,211					396,068	1
					8,190	2
					0	3
					43,364	4
					0	5
					0	6
					0	7
					0	8
					0	9
7,211	0	0	0	0	447,622	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	1,238,348	1,154,366	2
Optional Extended Area Revenue (5002)	1,617	0	3
Cellular Mobile Revenue (5003)	0	0	4
Other Mobile Services Revenue (5004)	0	3	5
Public Telephone Revenue (5010)	0	3,098	6
Local Private Line Revenue (5040)	41,315	20,263	7 I
Customer Premises Revenue (5050)	135	133	8
Other Local Exchange Revenue (5060)	391,565	302,317	9 J
Other Local Exchange Revenue Settlements (5069)		0	10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,672,980	1,480,180	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	371,573	335,577	11
Switched Access Revenue (5082)*	1,124,272	1,216,974	12
Special Access Revenue (5083)*	52,257	0	13 K
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,548,102	1,552,551	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	453,390	502,163	15
Special Access Revenue (5084.3)*	173,977	151,812	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	627,367	653,975	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0	0	17
Long Distance Inward-Only Revenue (5111)	0	0	18
Long Distance Outward-Only Revenue (5112)	0	0	19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0	0	20
Voice Grade Revenue (5122)	0	0	21
Audio Program Grade Revenue (5123)	0	0	22
Video Program Grade Revenue (5124)	0	0	23
Digital Transmission Revenue (5125)	0	0	24
Switching Revenue (5126)	0	0	25
Other Revenue (5128)	0	0	26
Other Revenue Settlements (5129)	0	0	27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0	0	28
Other Long Distance Revenue Settlements (5169)	0	0	29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	192,449	192,077	30
Rent Revenue (5240)*	987	924	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	89	3,726	34
Customer Operations Revenue (5262)	0	0	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	2,265	3,415	37
Other Revenue Settlements (5269)	1,104	1,645	38
Total Miscellaneous Revenue (5260)	3,458	8,786	
Interstate Billing and Collection Revenue*	57,647	66,218	39
Intrastate Billing and Collection Revenue*	70,743	94,102	40 L
Total Carrier Billing and Collection Revenue (5270)*	128,390	160,320	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	325,284	362,107	
GROSS OPERATING REVENUES	4,173,733	4,048,813	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	9,685	6,189	43
Uncollectible Revenue--Other (5302)	0	0	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	9,685	6,189	
TOTAL OPERATING REVENUES	4,164,048	4,042,624	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	9,633	11,231		1
Less: Nonregulated	0	0		2
Net Regulated	9,633	11,231	0	3
Total General Support Expense (6120)	104,490	121,151		4
Less: Nonregulated	0	0		5
Net Regulated	104,490	121,151	0	6
Total Central Office Switching Expense (6210)	71,983	64,696		7
Less: Nonregulated	0	0		8
Net Regulated	71,983	64,696	0	9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	21,266	30,040		13
Less: Nonregulated	0	0		14 D
Net Regulated	21,266	30,040	0	15
Total Information Orig. / Term. Expense (6310)	1,129	0		16
Less: Nonregulated	0	0		17
Net Regulated	1,129	0	0	18
Total Cable and Wire Fac. Expense (6410)	140,341	179,283		19
Less: Nonregulated	0	0		20 E
Net Regulated	140,341	179,283	0	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	348,842	406,401	0	
Less: Nonregulated	0	0	0	
Net Regulated	348,842	406,401	0	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	10,357	24,096	0	22
Less: Nonregulated	0	0		23 F
Net Regulated	10,357	24,096	0	24
Total Network Operations Expense (6530)	282,593	302,472		25
Less: Nonregulated	0	0		26
Net Regulated	282,593	302,472	0	27
Access Expense (6540)	76,165	96,436		28
Less: Nonregulated	0	0		29 G
Net Regulated	76,165	96,436	0	30
Total Depreciation and Amortization Expense (6560)	656,359	720,998		31
Less: Nonregulated	0	0		32
Net Regulated	656,359	720,998		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,025,474	1,144,002	0	
Less: Nonregulated	0	0	0	
Net Regulated	1,025,474	1,144,002	0	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			11,231		1
	0	0	11,231	0	2
6120			121,151		3
	0	0	121,151	0	4
6210			64,696		5
	0	0	64,696	0	6
6220			0	0	7
	0	0	0	0	8
6230			30,040		9
	0	0	30,040	0	10
6310			0	0	11
	0	0	0	0	12
6410			179,283		13
	0	0	179,283	0	14 D
	0	0	406,401	0	15
	0	0	0	0	16
	0	0	406,401	0	17
6510	0	0	24,096	0	18
	0		24,096	0	19
6530			302,472		20 E
	0	0	302,472	0	21
6540			96,436		22
	0	0	96,436	0	23 F
6560			720,998		24
			720,998		25
			720,998		26
	0	0	1,144,002	0	27
	0	0	0	0	28
	0	0	1,144,002	0	29 G

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	207,780	223,567	34
Less: Nonregulated	0	0	35
Net Regulated	207,780	223,567	0 36
Total Services (6620)	711,933	679,089	37
Less: Nonregulated	0	0	38
Net Regulated	711,933	679,089	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	919,713	902,656	0
Less: Nonregulated	0	0	0
Net Regulated	919,713	902,656	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	124,834	153,916	40
Less: Nonregulated	0	0	41 H
Net Regulated	124,834	153,916	0 42
Total General and Administrative (6720)	583,156	691,099	43
Less: Nonregulated	0	0	44
Net Regulated	583,156	691,099	0 45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	707,990	845,015	0
Less: Nonregulated	0	0	0
Net Regulated	707,990	845,015	0
TOTAL EXPENSES	3,002,019	3,298,074	0
Less: Nonregulated	0	0	0
Net Regulated	3,002,019	3,298,074	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			223,567		34
					35
	0	0	223,567	0	36
6620			679,089		37
					38
	0		679,089	0	39
	0	0	902,656	0	
	0	0	0	0	
	0	0	902,656	0	
6710			153,916		40
					41 H
	0		153,916	0	42
6720			691,099		43
					44
	0		691,099	0	45
6790					46
					47
			0		48
	0	0	845,015	0	
	0	0	0	0	
	0	0	845,015	0	
	0	0	3,298,074	0	
	0	0	0	0	
	0	0	3,298,074	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	10,357	24,096		2
Total: Reported in Account 6510	10,357	24,096	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	655,630	715,414		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	345	230		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	384	5,354		7
Total: Reported in Account 6560	656,359	720,998		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0		1
6512			24,096		2
	0		24,096	0	
6561			715,414		3
6562			230		4
6563					5
6564					6
6565			5,354		7
			720,998		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	4,173,733	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	5,699	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes		<u>4,179,432</u>

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,672,980	1
Plus: Total Intrastate Access Revenues (5084)	627,367	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes		<u>2,300,347</u>

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	4,173,733	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	5,699	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>4,179,432</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,672,980	1
Plus: Total Intrastate Access Revenues (5084)	627,367	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>2,300,347</u>	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	1,200	1,200	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	4,499	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	5,699	1,200	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	0	(1,176)	6
Operating Federal Income Taxes (7220)*	81,456	82,464	7
Operating State and Local Income Taxes (7230)*	21,959	21,485	8
Operating Other Taxes (7240)*	247,476	244,333	9
Provision for Deferred Operating Income Taxes--Net (7250)*	45,176	102,501	10
TOTAL OPERATING TAXES (7200)*	396,067	449,607	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	145	145	11
Interest Income (7320)*	25,501	23,875	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	3,060	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	1,715	14,124	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	23,931	12,956	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	6,605	1,499	19
Nonoperating State and Local Income Taxes (7430)*	1,585	357	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	8,190	1,856	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	148,190	152,567	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	1,761	25
Other Interest Deductions (7540)*	113,483	137,922	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	261,673	292,250	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	84,911	22,589	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	624,155	1
Less: Cost of Goods Sold	276,072	2
Net Sales	348,083	3
Expenses (Acct. 7990.2)	263,172	4
Nonregulated Net Income	<u>84,911</u>	5

List the type of nonregulated activities that company is involved in:

Nonregulated activities include the sale, leasing, and installation and maintenance of 1 & 2 line phones, key systems, PBXs, data modems and Direct Broadcast Satellite (DBS). In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

Business Systems - \$357,833.98 or 8.59% of total operating revenue.

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	88,124	2
Plant Accounts	56,397	3
Accumulated Depreciation Accounts		4
All Other Accounts	457,868	5
Total Salaries and Wages	602,389	6 B

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	2.00	2.00	124,663	2
Other Employees	12.00	13.00	453,868	3
Total	14.00	15.00	578,531	

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TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined		3,200	12
Total Toll	0	3,200	
Total Local & Toll	0	3,200	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	9	1	1	0	3
Feature Group B -- Term.	0	0	1	0	4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	12,967	7,245	2,662	3	7
Feature Group D -- Term.	6,772	4,063	2,369	2	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	20	1
Sheath miles of plant - buried	154	2
Sheath miles of plant - fiber optics	42	3
Strand miles of plant - fiber optics	649	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	10	14	1
56 kbps	17	9	2
64 kbps (DS0)	1	1	3
1.54 Mbps (DS-1)	10	7	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	20	1
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45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	866	967	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks		74	6
Centrex Trunks			7
Centrex Lines	868	894	8
Key System Trunks	338	360	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)	1	1	11
FX-Out (Switched)	2	1	12
Pay Telephone	29	4	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	2,104	2,301	20
Residential (Incl. Emp. Concess.)			
1 Party	4,878	5,195	21
2 Party			22
4 Party			23
FX-Out (Switched)	11	12	24
Other	4	8	25
Total Residential Lines	4,893	5,215	26
Total Bus & Res Lines	6,997	7,516	27
Company Used Lines	94	95	28
Total Lines Used	7,091	7,611	29
			30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	2	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	0	29	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	169	192	7
Special Access-interLATA			8
(expressed in equiv. access lines)	175	268	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	432	336	13
TSPS - Trunks	10	10	14
EAS - Trunks	734	476	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	1	18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	8,935,113	9,003,946	25
Total Company Square Miles	63	63	26
Total Company Route Miles	173	173	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5670				1
Business					2
1 Party	967				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	74				6
Centrex Trunks	---CONF---				7
Centrex Lines	894				8
Key System Trunks	360				9
Mobile (utility provided service)					10
Paging (utility provided service)	1				11
FX-Out (Switched)	1				12
Pay Telephone	4				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	0				15
Pay Stations - Public	0				16
- Semi-Public	0				17
- Cust. Owned	0				18
Other	0				19
Total Business Lines	2,301	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	5,195				22
2 Party					23
4 Party					24
FX-Out (Switched)	12				25
Other	8				26
Total Residential Lines	5,215	0	0	0	27
Total Bus & Res Lines	7,516	0	0	0	28
Company Used Lines	95				29
Total Lines Used	7,611	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5670				1
Miscellaneous					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	29				5
Special Access-intraLATA (equiv. access lines)	192				6
Special Access-interLATA (equiv. access lines)	268				7
Feature Group A Lines	0				8
Feature Group B Trunks	0				9
Feature Group C Trunks	0				10
Feature Group D Trunks	336				11
TSPS - Trunks	10				12
EAS - Trunks	476				13
Cellular Trunks (Pub. Sw. Net.)	0				14
Video Distance Learning					15
- discounted (special tariff)	1				16
Customers					17
Business - 2 Party Customers					18
Business - 4 Party Customers					19
Residential - 2 Party Customers					20
Residential - 4 Party Customers					21
Other					22
Exchange C.O., Info. Orig./Term., & Cable					23
Wire Fac. Assets (based on physical location of plant)	9,003,946				24
Exchange Square Miles	63				25
Exchange Route Miles	173				26
Footnotes					27
					28
					29
					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	WAUNAKEE				1
PSCW Exchange ID	5670				2
Central Office Name	WAUNAKEE				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	ATT				5
Year COE Installed	1995				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	SE12				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	7,611				14
- Equipped	8,576				15
- Wired	8,576				16
Trunks - In Use	824				17
- Equipped	1,248				18
- Wired	1,577				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	65				21
- In Use (PRI)	3				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	64				25
DS-3 - In Use	3				26
Advanced Data Service Available:					
Packet Switching?	Yes				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	90				33
No. of fiber strands working (LIT) in C.O.	38				34
No. of fiber strands for interoffice use	22				35
Miles of fiber sheath in wire center	42				36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				37
- PSCW C.O. ID	3080-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

October 27, 1999

Mr. John R. Erpenbach, Accounting Manager
Waunakee Telephone Company
301 South Westfield Road
P.O. Box 5158
Madison, WI 53705-0158

Re: 1998 Analytical Review DWCCA-6250-PJL

Dear Mr. Erpenbach:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. During our review, we noted that first of year video distance learning is reported as 0 on the Service Data schedule, page 51, and end of year is reported as 1. There is no footnote for this activity. The schedule reference sheet for this schedule, Operations Manual 1998 annual report, indicates there is an edit check for first of year 0, end of year greater than 0 requiring "a footnote indicator and associated explanation." Please provide the explanation for this situation.

2. Please file a revised page 15 to reflect corrections to the 1998 annual report as discussed with Chris Larson of our staff during the recent annual review of the earnings of small telecommunications utilities.

3. Staff review of page 47 reveals that information related to telephone calls and minutes of use per month are either partially provided or not provided at all. Further, no footnote is provided as to the reason(s) for not furnishing this information.

Your attention is drawn to the instructions for filing this data shown in the Commission staff e-mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for the 1999 report, estimated number of calls and minutes of use per month may be provided. Non availability of this information should be documented in a footnote that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software).

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Please note that if your response to this letter contains any data that you want to be subject to confidential treatment, you must submit a confidentiality request form with your response.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\telco letters\6250 rev letter

Schedule Footnotes

Affiliated Interest Transactions Footnote. Page 15

Pursuant to agreement with the PSCW staff, revenue, expense and other detail amounts are not required for the 1998 annual report. The total amount for each column is included on the All Other line in order to facilitate the summation function in the program.

Expense Matrix - Class A & B Footnote. Page 41

Pursuant to agreement with PSCW staff, expense matrix subsidiary record category detail is not required for the 1998 annual report. The total amount for each item is included in the Other column in order to facilitate the summation function in the program.

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Pursuant to agreement with PSCW staff, toll telephone calls and minutes of use per month detail is not required for the 1998 annual report. The total toll amount for each item is included on the Other Toll - Undefined line in order to facilitate the summation function in the program.

Schedule Line Footnotes

- A) Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.
- B) The regulated expense amount for salaries of \$357,283 is included on line 5.
- C) Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- D) Pursuant to agreement with PSCW staff, not material

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- E)** Cable and wire facilities expense has increased in 1998 due to increased material and labor for maintenance.
- F)** Other Property, Plant and Equipment Expense has increased in 1998 due primarily to increased inventory adjustments.
- G)** Expenses in 1998 include payments to USAC for the schools and libraries fund and also the TEACH program in Wisconsin.
- H)** Executive and Planning Expense increased in 1998 due to an increased marketing effort for regulated sales.
- I)** On page number 40, line number 7 there is an increase due to an increase in the number of dedicated circuits.
- J)** On page number 40, line number 9 there is an increase due to increased calling features.
- K)** On page number 40, line number 13 there is an increase due to an increase in the number of special access circuits.
- L)** On page number 40, line number 40 there is a decrease due to a decrease in number of intralata messages billed.
- M)** The dollars showing in account 2113 - Aircraft actually consist of general support assets under \$2,000 and are a result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.
- N)** The amount in column (g) is a reclass between accounts.
- O)** Rounding
- P)** Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- Q)** Accumulated depreciation is greater than the asset balance because per the PSC we are allowed to depreciate this account group more than 100%.
- R)** Line 14, column d changed on 12/2/99 per letter from utility.
PJJ